

Press-Herald

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A Temporary Pain Killer

According to reports, the Office of Business Economics of the Commerce Department has had a new production cost survey ready since last June, which has not been released.

A copyrighted article in The Christian Science Monitor, based on informed sources, cites a new labor-productivity figure for wage hike increases of closer to 4 per cent than the 3.2 per cent reported by the Council of Economic Advisors in 1963.

At best, any flat figure is controversial because increased production cannot be shown for workers in many industries. The tendency, however, is to make such figures universal, regardless of production, thus pouring oil on the fires of inflation.

The statistics on which wages and prices are based seem to ignore the citizens who cannot be protected by arbitrary rules. The dollars of millions of persons living on fixed incomes buy less and less under the productivity formula. Of course, the dollars of the beneficiaries of the system also buy less and that villain inflation fattens.

Let us hope that voluntary restraints and consideration for others may be applied more than compulsion, which, like a drug, may kill the pain for some without curbing an epidemic.

OTHERS SAY

Do They Understand?

Consumer resentment over steadily rising prices has reached a point of virtual open rebellion, judging by the deluge of news accounts describing boycotts and picketing of retail stores. The trouble is that the strategy of the rebellion rests on faulty reasoning, a lack of knowledge of how the mass-distribution system in this country works.

There is no secret about this system. The advent of mass-distribution was a logical and inevitable consequence of mass-production. The two go together. Mass-production would be impossible without the mass-movement of goods into consumer channels. That is what the modern retailer undertakes to do with the greatest possible efficiency. The record of rising standards of living attest to his success.

Picketing the retailers is about as sensible now as picketing the coastlines to halt the ebb and flow of the tides. Food retailers operate on a profit margin of slightly over one per cent. In fact, as a spokesman for the chain stores observed, "... even if the companies were to pass their profits back to consumers, no significant decrease in food prices would result." If both profits and advertising promotion costs were passed back to consumers, it would mean a decrease in prices of about 33 cents on a \$10 purchase. The blunt truth is, as the spokesman concluded, "prices will continue to rise as long as inflationary pressures continue to mount, and only the government . . . can cure inflation." Inflation is the price we pay for excessive, nonessential spending of the taxpayer's money.—*Industrial News Review.*

"Hell hath no fury like a woman scorned." Although there is much disagreement on who is at fault for the rising food prices, housewives are determined to take action with the old American initiative. Right or wrong, you really have to hand it to the girls.—*Pamela Marsh in the Michigan Journalist.*

The prices charged for food are very prominent in public attention today, reflected most conspicuously in the boycotts of supermarkets in some of the larger cities. Few of the boycotters, we suspect, are aware of the complexities of food pricing and so they tend, either to blame the farmer as ultimate producer, or to vent their indignation on the last factor in the chain of suppliers, the retailer. . . . Given least thought of all is the part that inflation and the reduced buying power of the dollar are playing in the situation.—*Antigo (Wis.) Journal.*

The fact is that the average American family is spending 18 per cent of its total income on food. No other nation in the world even approaches this figure, and in England 33 per cent of each family's disposable income goes for food, 45 per cent in France, and 62 per cent in the Soviet Union. Aside from the remarkably small amount of her income which goes for food, the American housewife receives more variety, more nourishment, more everything than her counterparts anywhere on the globe. . . . America's free enterprise, intensively-competitive system is the best guarantee yet devised by man that prices will not exceed demand.—*Shelbyville (Ky.) Sentinel.*

Morning Report:

I am happy to learn that at long last Defense Secretary McNamara and Labor Secretary Wirtz have come out in favor of my plan to turn the draft into a lottery. They now make the sense I did in the past.

Life or death is much too important a question to be left in the hands of well meaning, old men sitting on draft boards. The young men of the land will be better served by blind chance than the vicissitudes of ignorance or brilliance, prejudice or patriotism of countless citizens trying to interpret a multitude of changing draft regulations almost as complicated as an income tax form.

No draft plan is a spring picnic but at least a lottery will keep doubt, dismay and dismal deferments out of the scene.

Abe Mellinkoff

Another Wool Clad Wolf



Price of the Meal Not Deductible, He Reports

By CHARLES E. CHAPEL
Assemblyman, 46th District

As a result of questions received from readers of this newspaper, I requested and obtained an official opinion regarding state income tax deductions based on the purchase of tickets to fund-raising testimonial dinners. This opinion came from the Hon. Martin Huff, Executive Officer, State Franchise Tax Board, the California agency which collects the state income tax, the sales tax, etc. Mr. Huff's opinion is dated Nov. 29, 1966. I shall summarize it below.

Let us assume that a testimonial dinner was held, either before the June 7, Primary Election, or before the Nov. 8 General Election, and that the purpose was to raise funds for a political campaign. Let us also assume that tickets were sold

for \$25 apiece and that the restaurant where the dinner was held charged \$6.25 for each meal served.

Quoting Mr. Huff's opinion: "Under these facts, each person purchasing a ticket is allowed to deduct as a political contribution \$18.75 (\$25 less \$6.25) subject to the limitations prescribed by Section 17234 \$100 or \$200 in the case of a joint return."

The "limitations" are these: If an individual files

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an individual State income tax return, he can deduct up to \$100 for political donations. If a man and his wife file a joint return, they can deduct up to \$200.

Mr. Huff also said in his opinion: "Individuals may deduct \$25 if they indicated prior to the time of the dinner that they would not attend and that they intended for the full purchase price of the ticket to be retained as a contribution."

For example, let us assume that a man buys two \$25 tickets so that he can take his wife to a testimonial dinner and then decides that they cannot attend and so notifies the people running the dinner. In that case, \$50 can be deducted from the state income tax.

All of the above comments refer only to the California state income tax. There is no federal law allowing similar deductions when a return is filed with the U. S. Internal Revenue Service.

Let us assume that tickets are sold for a dinner, the object of which is to raise money for a charity and that the tickets are sold for \$25 apiece and the meal actually costs \$6.25 per meal served. Under these circumstances, the people buying tickets can claim deductions from both state and federal income tax payments because both the United States and the State of California allow deductions as contributions to a recognized charity.

Here again the individual ticket buyer can claim a deduction of \$18.75 (\$25 minus \$6.25).

Quoting from a federal income tax technical information release, mailed to me by Mr. Martin Huff: "Also, the fact that the tickets or other privileges are not used does not entitle the patron to any greater charitable contribution deduction. The test of deductibility is not whether the right to admission is exercised, but whether the right was available. If a patron desires to support an affair, but he does not in-

tend to use the tickets or exercise the other privileges being offered with the event, he may make an outright gift of the amount he wishes to contribute, and not accept any of the privileges related to the event connected with the solicitation."

It must be understood that I am neither an accountant nor a lawyer. Any person filing an income tax return, state or federal, should make a complete disclosure to the person who helps him prepare his return and take his advice from that person, and not from me.

In the spring of each year, all kinds of people advertise to prepare your income tax returns, federal and state, for \$5 or \$10. This type of service is worth exactly what you pay for it, but I do not recommend it. Professional service of any type is often comparatively expensive but in the long run it saves money. For example, I do not patronize cut-rate barbershops. I am afraid that I might get scalped and acquire the barber's itch. Being almost completely bald, I need the services of a good barber more than a man with a good head of hair, I regret to report.

WILLIAM HOGAN

Man Behind 'The Secret Surrender' Tells Story

Interesting observation by Allen Dulles, former director of the Central Intelligence Agency, who has been involved in many complicated international chess games during a lengthy career:

"It's so easy to start wars, or to get drawn into them, and yet so difficult to stop them. Once the contending forces are locked in battle, communication between them ceases. . . . Trading, in the broadest sense, is banned. Usually, no safe and secure way of telling the other side that you want to make peace is quickly available."

In some revealing historical reminiscences, "The Secret Surrender," Dulles discloses the details of the first German unconditional surrender to the Allies in World War II. The instrument of surrender was signed on Sunday, April 29, at Caserta, near Naples, and marked the collapse of all German forces in Italy and Southern Austria.

Dulles' book describes the

HERB CAEN SAYS:

Good Cop Quits Force After 31 Years on Job

Honest John Gehring, the traffic cop who has run the show at Fifth and Madison Sts. since 1939, is quitting after 31 years on the San Francisco force.

"I've had it," he said yesterday. "I can't take it any more. Winter's coming on and it gets dark early. There I stand in the rain, with the traffic backed up a mile, and I'm telling drivers to go thataway and they're telling me they want to go thisaway and I know that any minute some nut is going to come around the corner and hit me because he can't see me — well anyway, I'm quitting. My nerves are shot. My uniform is worn out and so am I."

John and I have grown old together. When he first chewed me out for making a U-turn, his moustache was black and I had enough hair to stuff a mattress. Now his moustache is white, but he still has his hair (also white) so he's ahead of me there. In all those years (I've only seen him in his civvies once and he looked distinguished, like a retired banker or a maitre d'hotel in a good restaurant. But he has no regrets that he is neither.

"I guess I've been a pretty good cop," he says. "Nah, I don't mind people calling me a cop. That's what I am. A cop. But I'll tell you one thing — I wouldn't want any kid of mine to be a cop. It's a lousy job. Too much

night work, long hours, low pay. And no respect. Why, when I was a kid—"

Like all old-timers, cops or otherwise, John has a bad case of when-I-was-a-kiditis. "I was born in the Mission District," he says. "My father was German, a sausage maker. When a cop told us

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to go THAT way, we went THAT way. Today everybody wants to give you an argument. The old Mission was great. Do you know we never even locked the front door? Never. Every day some bum would come around for a handout, and my mother would invite him right into the kitchen and cook him something. And my old man would sit down and have a conversation with him. When the bum would leave, my father would say, 'Mighty interesting fellow.' Imagine anybody doing that today?"

John Gehring, plain San Franciscan, good cop, quitting The Force after 31 years with a perfect record. Never a promotion, never a reprimand. He has never fired his gun in anger. "I pulled my gun once, about 30 years ago." The legend around Fifth and Mission is that he still has his original book of tags. Not quite true — "I don't believe in giving tags. I bawl 'em out instead.

They remember the long, er."

Things were madder than usual in Sausalito, A16 a.m., The Charlatans (a rock 'n' roll group) and a covey of go-go dancers were going like crazy aboard a large—and why? They were filming a TV commercial for something called 'Broom 'n' Clean, that's why. And that night, a houseboat was burned offshore while the cameras cranked, his being a scene from Collier Young's million-dollar TV production, "Ironside," starring Raymond Burr. . . . Financial footnote: Burr already fat with "Perry Mason" residuals (nine year worth), gets \$125,000 for this job, plus a piece of the action. He has also bloomed to 300 pounds, suggesting that financial security does not a compulsive eater create.

Under the stars: Claire Isaacs, departing director of art education at S.F. Museum, gave a dinner recently in honor of Artologist Gavin Chester Artur, and all the star-gazes were there. Two got into an argument that ended with one shouting, "You're nothing but a lousy Capriern!" inspiring writer Avrai Davidson to observe: "I never heard astrological terminology used as invective before." "Well, shrugged Gavin, "what can you expect when the poor chup has Uranus in his first buse?"

ROYCE BRIER

Gemini Success Brings New Zeal for Moon Shot

Every time the United States has success with one or more of several techniques programmed for orbiting space vehicles, the theorists and technicians concerned with the Apollo moon-landing project have a rise in temperature.

This is quite understandable, and happened recently with the successful space-walk of Air Force Major Edwin E. Aldrin orbiting in Gemini 12, the last of the series in this cycle.

Aldrin was outside his capsule for over two hours and performed most of the tasks assigned to him without mishap.

But whether the environment on the lunar surface will be comparable to the environment of a space-walker is a question the Apollo people cannot at

this time answer. A space-man on the lunar surface will weigh about one-sixth of his normal weight. This is but one of several problems which may or may not be answered by space-walking techniques.

But the zeal of the Houston men is communicable, as evidenced by a complete

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picture projection in "Scala," the German Life-type magazine.

The Apollo people believed the successful landing of Surveyor 1 established that the lunar surface is solid enough to support a landed vehicle.

The various steps in the proposed actual moon landing and exploration have

been developed over two years, and have been publicized for some time.

The main travel vehicle will be a 368-foot stern V rocket, containing three men and a smaller landing craft called a module. The main rocket will be put in orbit about the moon, and at a fixed time will discharge the module containing two men, leaving one orbiting in the mother ship. The module will land much a Surveyor did on struts furnished with pads, though it will be somewhat heavier than Surveyor.

The men in the module will then exit to the surface and begin exploration. They will have various devices for gathering, analyzing and photographing specimens of the crust. How much time can be given to this exploration has not yet been determined and in any case will be determined by the men on the site.

These men must have various protections against the environment, probably more sophisticated than those yet employed in space-walk suits.

Their eyes and bodies must be protected against raw sunlight and sun heat, and against cosmic radiation, micrometeorites, ultraviolet, X-rays and gamma rays. They must also be protected against temperature changes, which range about 500 degrees between sunlight and shadow.

Having done their tasks, the moon explorers now take off in a small rocket vehicle which is the top of the module. The landing base will be left behind. The explorers must dock with the main vehicle still orbiting. This must be done electronically, as chances of seeing the main vehicle in orbit are not good.

But once the explorers have docked with the main vehicle, the return to earth should not present an impossible problem.

Most objective observers think that leaving the moon and connecting with the main vehicle is the most difficult trick. "Scala's" pictures look pretty intricate. The Apollo people aren't saying much.